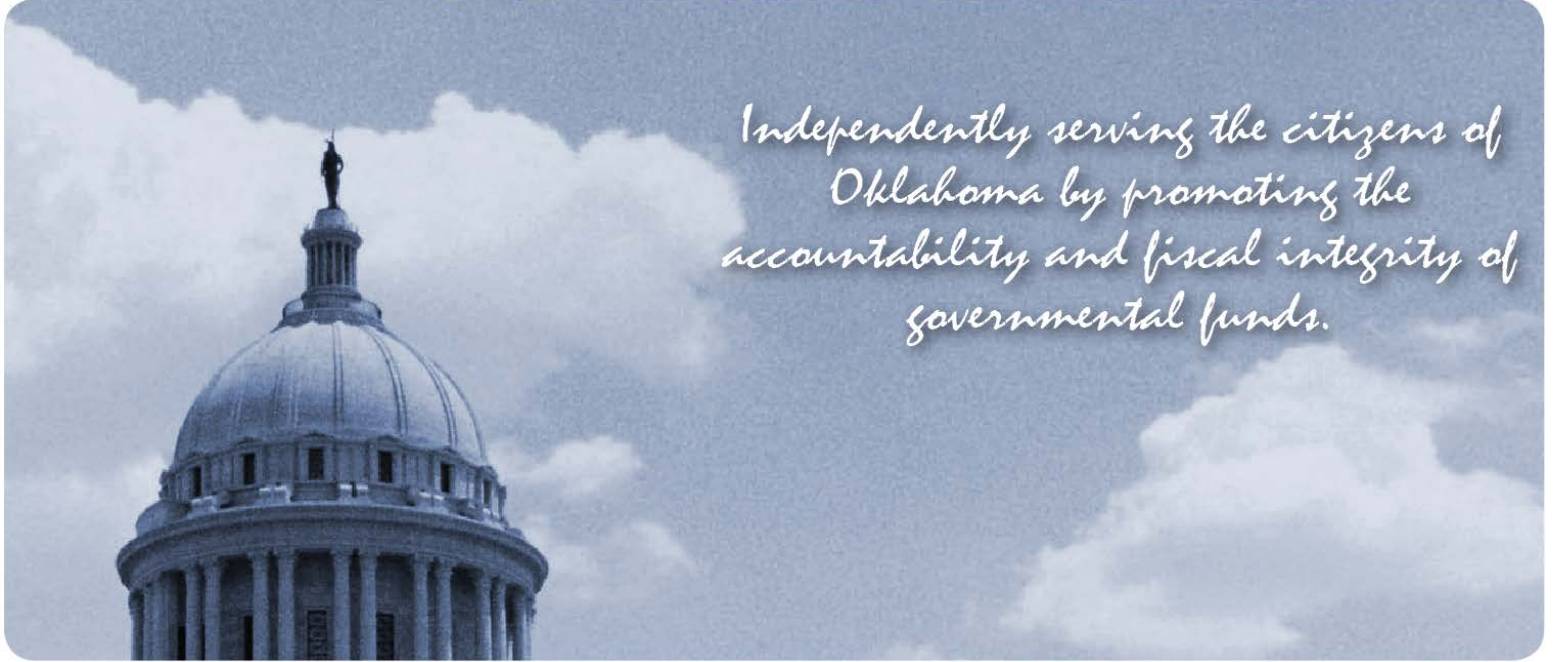


STATUTORY REPORT

MAJOR COUNTY TREASURER

April 30, 2017



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**DARINDA EDWARDS, COUNTY TREASURER
MAJOR COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2017**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 74 O.S. § 212, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

June 30, 2017

BOARD OF COUNTY COMMISSIONERS
MAJOR COUNTY COURTHOUSE
FAIRVIEW, OKLAHOMA 73737

Transmitted herewith is the Major County Treasurer Statutory Report for April 30, 2017. The engagement was conducted in accordance with 74 O.S. § 212.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is written in a cursive style with a large, looped initial "G".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR



Oklahoma State Auditor & Inspector

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Darinda Edwards, Major County Treasurer
Major County Courthouse
Fairview, Oklahoma 73737

Dear Ms. Edwards:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures:

- Determine whether bank reconciliations are properly performed, visually verify the certificates of deposit, and confirm the investments.
- Determine whether subsidiary records are reconciled to the general ledger.
- Determine whether deposits and invested funds are secured by pledged collateral.

All information included in the bank reconciliations, the investment ledger, the subsidiary ledgers, and the general ledger is the representation of the County Treasurer.

Our county treasurer statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any basic financial statement of Major County.

Based on our procedures performed, we have presented our findings in the accompanying schedule.

This report is intended for the information and use of the management of the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

May 18, 2017

**DARINDA EDWARDS, COUNTY TREASURER
MAJOR COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2017**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-01 – Inadequate Internal Controls Over Bookkeeping Processes

Condition: We determined the payroll account was not reported on the general ledger, and transfers between funds were not accurately reported on the general ledger.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure all banking activity is reported on the general ledger.

Effect of Condition: This condition could result in unrecorded transactions, undetected errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the general ledger reflect all banking activity for all accounts controlled by the County Treasurer.

Management Response:

County Treasurer: The County Treasurer's software vendor was notified on June 20th and a line item has been created for that account on the general ledger and will be reconciled each month.

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. Internal controls should be designed to analyze accuracy, completeness, and reliability of accounting records.

Finding 2017-02 – Inadequate Internal Controls Over the County Treasurer's Bank Accounts

Condition: Upon review of documentation and confirmation of bank accounts, it was noted that authorized persons for the County's bank accounts are not updated in a timely manner.

Cause of Condition: Policies and procedures have not been designed and implemented to review the authorized persons on the County's bank accounts.

Effect of Condition: This condition resulted in an employee who is no longer employed by the County being authorized on County bank accounts.

Recommendation: OSAI recommends that the County Treasurer implement a system of internal controls to provide reasonable assurance that only authorized employees of the County are on the County's bank accounts.

Management Response:

County Treasurer: A phone call was made on June 20th to correct the error and change the name to read Darinda Edwards, County Treasurer.

**DARINDA EDWARDS, COUNTY TREASURER
MAJOR COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2017**

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions, and safeguarding assets from misappropriation. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated



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